

## Message Text

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ACTION IO-11

INFO OCT-01 EUR-12 EA-07 NEA-10 ISO-00 CIAE-00 DODE-00

PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 AID-05 PC-01 EB-07 COME-00 TRSE-00

AGR-05 /105 W

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R 171024Z MAR 76

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 4694

INFO AMEMBASSY CANBERRA

AMEMBASSY COLOMBO

AMEMBASSY DACCA

AMEMBASSY ISLAMABAD

AMEMBASSY KABUL

AMEMBASSY KATHMANDU

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL HONG KONG

AMCONSUL MADRAS

USMISSION GENEVA

USMISSPDN NY

USMISSION PEKING

C O N F I D E N T I A L SECTION 1 OF 2 NEW DELHI 3946

E.O. 11652: XGDS-1

TAGS: PFOR, EAID, BT

SUBJECT: BHUTAN: INDIAN PRESSURE ON FOREIGN CONTACTS INCREASES

REF: 74 NEW DELHI 16297

SUMMARY: SINCE MID-1975 THE GOI HAS INCREASED ITS EFFORTS  
TO LIMIT BHUTAN'S ACCESS TO FOREIGN (NON-INDIAN) TECHNICIANS

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AND TECHNICAL ASSISTANCE. IT HAS BROUGHT PRESSURE ON THE

UNDP AND FOREIGN AID DONORS BY DELAYING GRANTING OF "INNER LINE" TRANSIT PERMITS TO ALLOW FOREIGNERS TO GO TO BHUTAN; BY DIRECTLY CRITICIZING FOREIGN AID PERSONNEL FOR ALLEGEDLY MAKING ANTI-INDIAN REMARKS WHILE IN BHUTAN; AND BY BRINGING PRESSURE ON THE GOB TO CANCEL OR TO POSTPONE VISITS BY FOREIGN ADVISORS. THE BRITISH HIGH COMMISSIONER HAS EXPRESSED DISPLEASURE TO MEAN SECRETARY ABOUT CRITICISM AND QUESTIONING OF BRITISH AID PROGRAMS AND PERSONNEL IN BHUTAN BY LOWER-LEVEL MEA OFFICIALS AND ASKED FOR AN EXPLANATION. A UNDP SOURCE TELLS US THAT GOPOFFICIALS HAVE PRIVATELY TOLD HIM THAT INDIAN DOES NOT WISH TO SEE BHUTAN BECOME ANY MORE INDEPENDENT OF INDIAN INFLUENCE THROUGH OUTSIDE ACCESS TO ASSISTANCE AND TECHNICAL PERSONNEL. BHUTANESE DIPLOMATS IN DELHI ACKNOWLEDGE THAT INDIAN POLICY HAS HARDENED, SHRUG THEIR SHOULDERS, SAY THEY HOPE THINGS WILL IMPROVE, AND IMPLY IN ANY EVENT THERE IS NOTHING THEY CAN DO ABOUT IT. THE BHUTANESE ATTITUDE IS REALISTIC. AS WE NOTED REFTTEL, THE POWER ALL LIES WITH THE INDIANS AND THE ONLY THING THE BHUTANESE CAMADO IS TO ACCOMMODATE TO IT IN THE MOST COMFORTABLE MANNER. WE THINK IT IS UNLIKELY, HOWEVER, THAT DGTHE GOI WILL DIRECTLY ASK FOREIGN GOVERNMENTS TO COORDINATE THEIR DEALINGS WITH THE BHUTANESE THROUGH INDIA. INSTEAD THE GOI MAY BE SUGGESTING--ALBEIT INDIRECTLY--THAT THOSE COUNTRIES WISHING TO ENGAGE IN PROGRAMS WITH BHUTAN WOULD BE ADVISED TO DO SO IF THEY WISH GOI COOPERATION. END SUMMARY.

1. AT PRESENT, THERE ARE TEN UNDP REQUESTS PENDING WITH THE GOI FOR ADVISORS AND TECHNICIANS TO VISIT BHUTAN IN CONNECTION WITH UNDP PROJECTS. MOST OF THESE HAVE BEEN PENDING TWO MONTHS OR LONGER. TWO PERMITS WERE GRANTED IN THE LAST FEW WEEKS BUT WITH THE OBSERVATION FROM THE INDIAN MEA THAT IT "WAS UNDERSTOOD" THE GOV NO LONGER NEEDED THE TECHNICIANS. SUBSEQUENTLY THE GOV CONFIRMED THAT THIS WAS THEIR POSITION, EVEN THOUGH THE INDIVIDUALS IN QUESTION HAD SPECIFICALLY BEEN ASKED FOR AND URGED TO RETURN TO BHUTAN SOON ONLY A FEW MONTHS PREVIOUSLY. THE ASSISTANT UNDP RESIDENT RESPONSIBLE FOR BHUTAN HAS BEEN UNABLE TO GET PERMISSION TO CROSS THE RESTRICTED AREA IN INDIA TO VISIT BHUTAN SINCE HE ACCOMPANIED UNDP ADMINISTRATOR PETERSON TO BHUTAN LAST FALL, AND MEA OFFICIALS HAVE

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SPECIFICALLY ACCUSED BOTH HIM AND THE NEW DELHI UNDP RESIDENT OF MAKING ANTI-INDIAN REMARKS IN BHUTAN.

2. THE BRITISH WERE CONFRONTED WITH THE HARDENING INDIAN ATTITUDE DURING A CALL ON MEA DEPUTY DIRECTOR (NORTHERN DIVISION) BY A HIGH COMMISSION OFFICER. THE DEPUTY DIRECTOR FRANKLY ACKNOWLEDGED THAT THE GOI HAD REASSESSED ITS RELATIONS WITH ITS NORTHERN NEIGHBORS AFTER THE

EMERGENCY AND HAD DECIDED TO TAKE THE TOUGHER LINE WHICH WAS BEING FOLLOWED NOT ONLY WITH BHUTAN BUT WITH NEPAL LAST FALL. DURING THE MEETING, HE OPENLY CHARGED TWO BRITISH OFFICIALS

(AN EDUCATION ADVISOR FROM LONDON AND A HIGH COMMISSION AID OFFICIAL) WITH "INDULGING IN ANTI-INDIAN ACTIVITIES" BY THEIR REMARKS DURING A SEPTEMBER, 1975 VISIT TO A BRITISH EDUCATION PROJECT IN THIMPHU. (THE VISIT WAS IN CONNECTION WITH A SMALL AID PROGRAM INVOLVING THE PROVISION OF HEADMASTERS AND SOME LIENCE AND EDUCATION TEACHERS TO TWO BHUTANESE SCHOOLS. THE PROGRAM IS SCHEDULED TO TERMINATE IN MID-1977.) THE HIGH COMMISSION OFFICER DENIED THE CHARGE. DURING A CALL BY A SENIOR HIGH COMMISSION OFFICER ON THE SAME INDIAN OFFICIAL, THE LATTER REFUTED THE BRITISH REBUTTAL AS "PWVALID" AND SAID THATINDIA DID NOT WANT AID PROGRAMS IN BHUTAN TO DEVELOP INTO "COMPETITIVE FOREIGN" ACTIVITIES. HE EMPHASIZED THAT THE TRADITIONAL INDO-BHUTANESE RELATIONSHIP HAD TO BE MAINTAINED AND SUGGESTED THE INDIANS WOULD TAKE APPROPRIATE STEPS IF UK FUNDED TEACHERS CONTINUED TO GO TO BHUTAN WITHOUT PRIOR APPROVAL OF THE GOI. (A FLAVOR OF THIS OFFICIAL'S VIEW ALSO CONTAINED IN MEMCON ATTACHMENT TO NEW DELHI A-322).

3. CANADIANS HAD SIMILAR EXPERIENCE FOLLOWING NOV. 75 VISIT TO BHUTAN BY HIGH COMMISSION TRADE AND DEVELOPMENT COUNSELLOR. JOINT SECRETARY (EAST ASIA AND NORTHERN DIVISION) CALLED IN CANADIAN HIGH COMMISSIONER SEVERAL WEEKS EEO TO ASK WHETHER COUNSELLOR HAD BEEN DISCUSSING INCREASING CANADIAN AID TO BHUTAN WHILE IN THIMPHU, AND IF CANADIANS DID NOT RECALL MEA CIRCULAR NOTE OF A YEAR PREVIOUS INSTRUCTING ALL MISSIONS TO DISCUSS ENVISAGED AID WITH THE GOI BEFORE APPROACHING GOB IN VIEW OF THE REQUIREMENTS OF THE INDO-BHUTAN TREATY. CANADIAN HICOMM DENIED  
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KNOWLEDGE OF SUCH A NOTE.

4. THE BRITISH HIGH COMMISSIONER CALLED ON MEA SECRETARY MEHTA TO ENQUIRE ABOUT THE NOTE AND THE ALLEGATIONS AGAINST BRITISH OFFICIALS. ACCORDING TO THE BRITISH, MEHTA REPLIED WITH SOME EMBARRASSMENT THAT NO SUCH NOTE EXISTED AND COMMENTED THAT THERE MUST BE SOME MISUNDERSTANDING WHICH HE WOULD TRY TO CLEAR UP. (COMMENT: OUR GUESS IS THAT THERE IS SOME INTERNAL GOI POLICY PAPER SETTING FORTH SUCH A PROPOSAL WHICH THE JOINT SECRETARY, ONLY RECENTLY ON THE JOB, CONFUSED WITH A NOTE WHICH HAD ALREADY BEEN CIRCULATED.) BRITISH HI COMM REPORTEDLY EXPRESSED WITH SOME ASPERITY INDIGNATION AT ACCUSATIONS MADE AGAINST UK OFFICIALS AND COMMENTED THAT IF GOI HAD SOME NEW POLICY TO ANNOUNCE OR COMPLAINT TO MAKE IT SHOULD BE MADE TO THE APPROPRIATE

LEVEL IN THE HIGH COMMISSION.

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ACTION IO-11

INFO OCT-01 EUR-12 EA-07 NEA-10 ISO-00 CIAE-00 DODE-00

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SP-02 SS-15 USIA-06 AID-05 PC-01 EB-07 COME-00 TRSE-00

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R 171024Z MAR 76

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 4695

INFO AMEMBASSY CANBERRA

AMEMBASSY COLOMBO

AMEMBASSY DACCA

AMEMBASSY ISLAMABAD

AMEMBASSY KABUL

AMEMBASSY KATHMANDU

/AMEMBASSY LONDON 3776

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL HONG KONG

AMCONSUL MADRAS

USMISSION GENEVA

US MISSION USUN NEW YORK 1984

USMISSION PEKING

C O N F I D E N T I A L SECTION 2 OF 2 NEW DELHI 3946

5. UNDP SOURCE TELLS US THAT GOI OFFICIALSHAVE PRIVATELY  
TOLD HIM THAT UNIDA DOES NOT WISH TO SEE BHUTAN BECOME  
ANY MORE INDEPENDENT OF INDIAN INFLUENCE THROUGH OUTSIDE  
ACCESS TO ASSISTANCE AND TECHNICAL PERSONNEL. INDIANS HAVE  
ASKED THAT UNDP SELECT QUALIFIED INDIANS TO GO TO BHUTAN  
AS ADVISORS AND TECHNICIANS RATHER THAN RECRUITING ON WORLD-

WIDE BASIS. UNDP HAS OFFERED TO ALLOW GOI TO TAKE OVER  
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AND FUND TECHNICAL PERSONNEL ON UNDP PROJECTS BUT HAS  
REFUSED TO GIVE INDIANS PREFERENCE IN RECRUITMENT FOR UNDP-  
FUNDED POSITIONS. GOI HAS THUS FAR NOT RESPONDED TO UNDP  
PROPOSAL WHICH WAS MADE SEVERAL MONTHS AGO.

6. BHUTAN MISSION FIRST SECRETARY IN NEW DELHI CONFIRMS  
GENERAL OUTLINES DESCRIBED ABOVE. WITH EVIDENT DISCRETION AND  
RESERVE HE NOTED THAT FOREIGN ADVISORS BUT NOT TOURISTS HAD  
BEEN DELAYED BY THE GOI (VIA INDIAN INNER-LINE PERMIT  
REQUIREMENT) SEVERAL TIMES UNTIL THE PROPOSED VISITOR HAD  
TO CANCEL HIS VISIT PLANS AND FULFILL COMMITMENTS ELSEWHERE.  
REQUESTS OF MEA FOR SPEEDIER ACTION WERE MET WITH VAGUE  
ASSURANCES THAT EVERYTHING POSSIBLE WAS  
BEING DONE. BHUTANESE, HOWEVER, SHRUG THEIR SHOULDERS  
AND SAY THEY HOPE THINGS WILL IMPROVE AND IMPLY THAT IN  
ANY EVENT THERE IS NOTHING THEY CAN DO ABOUT IT.

7. COMMENT: WE SUSPECT THE BHUTANESE ARE NOT VERY SURPRISED  
BY THE GOI ACTIONS, EVEN IF THEY MAY BE DISAPPOINTED. UNDP  
SOURCE BELIEVES THAT SOME OF THE COTERIE AROUND THE KING  
WHO ARE ANTI-INDIAN (THE FORJI GROUP PARTICULARLY) ARE THE  
ONES THE INDIAN ARE CONCERNED ABOUT. FONMIN DWA TSERING,  
ON THE OTHER HAND, IS COMPLETELY AWARE OF THE  
ULTIMATE POWER THE INDIANS HAVE TO USE AGAINST BHUTAN AND  
BHUTAN'S NEED TO MOVE WITH GREAT DELICACY ON THE ADVISOR  
AND TECHNICIAN ISSUE. UNDP DOES NOT EXPECT TO HAVE MORE  
THAN 11-15 ADVISORS AT ANY ONE TIME IN BHUTAN FOR THE  
FORESEEABLE FUTURE (THERE ARE 11 PRESENTLY RESIDENT THERE,  
INCLUDING ONE AMERICAN). AS WE OBSERVED IN REFTEL THE  
POWER ALL LIES WITH THE INDIANS AND THE ONLY THING THE  
BHUTANESE CAN DO IS ACCOMMODATE TO IT IN THE MOST CONFORTABLE  
MANNER. THE INDIANS HAVE BEEN FLEXING THEIR MUSCLES A  
BIT IN THE LAST FEW MONTHS--A BIT CRUELY--TO PORTRAY  
THAT THE POWER IS THERE. IT IS UNLIKELY, HOWEVER, THAT  
THE GOI WILL BE SO GAUCHE IN THE FUTURE AS DIRECTLY TO ASK  
FOREIGN GOVERNMENTS TO COORDINATE THEIR DEALINGS WITH THE  
BHUTANESE THROUGH INDIA. BUT IT MAY BE  
SUGGESTING--ALBEIT INDIRECTLY--THAT THOSE COUNTRIES WISHING

TO ENGAGE IN PROGRAMS WITH BHUTAN WOULD BE ADVISED TO DO  
SO IF THEY WISH GOI COOPERATION. THIS DOES NOT, HOWEVER,  
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SEEM TO APPLY TO EDUCATIONAL TRAINING PROGRAMS ABROAD WHERE  
THE ABILITY OF THE INDIANS TO KEEP BHUTANESE FROM TRAVEL-  
LING ABROAD (EXCEPT BY ADVICE TO THE GOB) IS  
CONSTRAINED BY THE TREATY RIGHT OF BHUTANESE TO PASS  
THROUGH INDIA. THE BRITISH, AUSTRALIANS, AND WE HERE HAVE  
NOT ENCOUNTERED ANY PROBLEMS THUS FAR WITH OUR  
EDUCATIONAL GRANTS.  
SCHNEIDER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Disposition Approved on Date:**  
**Disposition Authority:** SmithRJ  
**Disposition Case Number:** n/a  
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